

FILED
Western District of Washington
at Seattle

JUL 6 2009

U.S. Bankruptcy Court

HON. SAMUEL J. STEINER
Chapter 15

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re

DELOITTE & TOUCHE, INC.
as Foreign Representative of

EVERGREEN GAMING CORP.,
Debtor in a Foreign Proceeding.

Case No. 09-13567 (SJS)

ORDER RECOGNIZING FOREIGN MAIN
PROCEEDING PURSUANT TO
CHAPTER 15 AND RECOGNIZING
DELOITTE & TOUCHE, INC. AS FOREIGN
REPRESENTATIVE WITH RESPECT TO
EVERGREEN GAMING CORPORATION
AND WASHINGTON GAMING, INC.

THIS MATTER having come before the Court upon the application of Deloitte & Touche as the Monitor appointed in the Evergreen Group CCAA Proceeding¹ now pending in the Supreme Court of British Columbia, Canada, by and through its counsel of record, Bruce MacIntyre and Perkins Coie LLP, for entry of an order, pursuant to 11 U.S.C. §§105(a), 1504, 1507, 1515, 1517, 1519, 1520 and 1521, recognizing the CCAA Proceeding as a foreign main proceeding (the "Application"); the Court having considered the files and record herein, including the Declarations of Cory Coyle, Jervis Rodrigues and John Sandrelli filed in support of the Application and the Chapter 15 Petition; and having

¹ Capitalized terms not defined herein shall have the same meaning as in the Application for Recognition of Foreign Main Proceeding and Memorandum of Law In Support Thereof (the "Application") on file in this case.

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1 reviewed the Settlement Approval Order attached hereto as Exhibit 1 and the Receivership
2 Appointment Order attached hereto as Exhibit 2, both entered by the Supreme Court of
3 British Columbia on July 3, 2009, as well as the pleadings and other materials on file in this
4 case; and having considered the submissions and arguments of counsel, the Court finding
5 that the CCAA Proceeding now pending in Vancouver, British Columbia, Canada under the
6 Canadian Companies' Creditors Arrangement Act which was commenced by the Debtors on
7 April 15, 2009 and remains pending before the Supreme Court of British Columbia as In the
8 Matter of Evergreen Gaming Corporation and Washington Gaming, Inc., and Their
9 Subsidiaries Listed on Schedule "A", Case No. S-092767; the Court makes the following
10 findings of fact and conclusions of law:
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20 A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§157 and
21 133 of the United States Bankruptcy Code (the "Code");
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24 B. This is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(P);
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26 C. Venue is properly located in this District pursuant to 28 U.S.C. §1440;
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28 D. On April 15, 2009, Evergreen Gaming Corporation ("Evergreen") and
29 nineteen Canadian and American affiliates (collectively, the "Evergreen Group" or the
30 "Debtors") filed a consolidated voluntary petition in the Supreme Court of British Columbia,
31 Canada under the Canadian Companies' Creditors Arrangement Act (the "CCAA"), R.S. C.
32 1985, c.C-36 and C-44 and the Business Corporations Act, S.B.C. 2002, c.57 (the "CCAA
33 Proceeding");²
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41 ² The "Evergreen Group" consists of Evergreen Gaming Corporation, the parent company, and the following
42 direct and indirect subsidiaries: EGC Holdings Ltd., EGC Properties Ltd., Frank Sisson's Silver Dollar Ltd.,
43 Washington Gaming, Inc., Big Nevada, Inc., Little Nevada II, Inc., Little Nevada III, Inc., Silver Dollar Mill
44 Creek, Inc., Golden Nugget Tukwila, Inc., Shoreline Gaming, Inc., Little Nevada, Inc., Snohomish Gaming
45 Inc., Hollydrift Gaming, Inc., Royal Casino Holdings, Inc., Gameco, Inc., Gaming Management Inc., Gaming
46 Consultants, Inc., Shoreline Holdings Inc., and Mill Creek Gaming, Inc. With the exception of EGC Holdings
47 Ltd., EGC Properties Ltd., and Frank Sisson's Silver Dollar Ltd., each of the entities has filed chapter 15 a

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1 E. By order entered that same day, the Supreme Court of British Columbia
2 appointed Deloitte & Touche Inc. as Monitor for all Debtors in the CCAA Proceeding. A
3 certified copy of the order (i) granting relief under the CCAA, (ii) appointing Deloitte &
4 Touche Inc. as the Monitor and (iii) authorizing the Monitor to commence this Chapter 15
5 Proceeding (the "CCAA Order") was attached to the Chapter 15 Petition filed by the
6 Monitor;
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12 F. These Chapter 15 cases were properly commenced on April 15, 2009 (the
13 "Petition Date") pursuant to §§1504 and 1515 of the Code, and the petitions on file in these
14 cases meet all requirements of §1515 of the Code;
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19 G. The CCAA Proceeding is a "foreign proceeding" within the meaning of
20 §101(23) of the Code;
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23 H. Evergreen was incorporated under the Business Corporations Act, S.B.C.
24 2002 c. 57, in 1979, and is a public company, listed on the Toronto TSX Venture Exchange
25 (TSX-TNS-V). Evergreen has a registered address of 700-595 Howe Street, Vancouver BC
26 V6C 2T5, and a primary business office at 11331 Coppersmith Way, in Richmond, B.C.
27 Directly or indirectly, Evergreen owns 100% of the stock in all but one member of the
28 Evergreen Group, which consists of a total of twenty (20) entities in British Columbia,
29 Alberta and western Washington.
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36 I. Although some of Evergreen subsidiaries operate casinos in King and
37 Snohomish Counties, the Evergreen Group's headquarters, where all significant business
38 decisions are made, is in British Columbia, and the business is an integrated international
39 enterprise that is owned by a publicly traded Canadian company;
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46 petition in this Court. Another WGI subsidiary, Shoreline Gaming, Inc., dba Golden Nugget Casino, did not
47 file either a CCAA Petition or a Chapter 15 Petition.

ORDER RECOGNIZING FOREIGN MAIN
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1 J. Notwithstanding the fact that some members of the Evergreen Group are
2 Washington Corporations, the center of main interest of the Evergreen Group is in British
3 Columbia, Canada, and the CCAA Proceeding is properly designated a "foreign main
4 proceeding" within the meaning of §§1502(4) and 1517(b)(1) of the Code with respect to
5 each of the Debtors;
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10 K. From and after the Petition Date, the Monitor has been the duly appointed
11 "foreign representative" within the meaning of §101(24) of the Code. By Order (the
12 "Receivership Appointment Order" attached hereto as Exhibit 1) entered by the CCAA
13 Court on July 3, 2009, Grant Thornton, Ltd. ("Grant Thornton") has been appointed as the
14 Receiver with respect to all of the CCAA Debtors except Evergreen and Washington
15 Gaming, Inc. ("WGI");
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17

18 L. Pursuant to the Receivership Appointment Order and the Settlement
19 Approval Order (attached as Exhibit 2) the Monitor will remain the foreign representative
20 designated by the Supreme Court of British Columbia with respect to Evergreen and WGI;
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23 M. WGI has one or more subsidiaries (the "Non-Debtor Subsidiaries") that are
24 not guarantors of Evergreen's obligations to Fortress Credit Corporation and are not debtors
25 in either the CCAA Proceeding or in these Chapter 15 Cases. Pursuant to the Settlement
26 Approval Order and the Receivership Appointment Order, Evergreen and WGI will continue
27 to operate the business of the Non-Debtor Subsidiaries of WGI;
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30 N. As the duly appointed foreign representative of Evergreen and WGI in a
31 foreign main proceeding, the Monitor is entitled to all of the relief provided under §1520 of
32 the Code;
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1 O. The relief requested by the Monitor herein is necessary and appropriate and
2 in the interest of international comity and the purposes of chapter 15 as provided in §1501 of
3 the Code;
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6 P. The relief sought by the Monitor herein is necessary and appropriate to
7 effectuate the purposes of chapter 15 and to protect the assets of Evergreen and WGI in the
8 United States and to protect the interests of all creditors of those two Debtors; and
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11 Q. Notice of these proceeds has been sufficient and proper under the
12 circumstances and no further notice is required or necessary.
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15 NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:
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17 1. The Application is granted as provided herein;
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19 2. This Court recognizes the CCAA Proceeding as a foreign main proceeding
20 pursuant to 11 U.S.C. §1502 (4) and the Monitor is recognized as the Foreign Representative
21 with respect to Evergreen and WGI;
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23 3. The Monitor is hereby released and discharged from its duties and obligations
24 herein with respect to all Debtors in these chapter 15 cases except Evergreen and WGI;
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26 4. Pursuant to §1520 of the Code, §§361 and 362 are applicable to the
27 proceedings and to all property of Evergreen and WGI within the territorial jurisdiction of
28 the United States to the same extent that the sections would apply to property of an estate.
29 Evergreen and WGI are hereby authorized to continue using Fortress' cash collateral held by
30 Evergreen and WGI. Pursuant to Bankruptcy Code § 361, as adequate protection for the use
31 of their collateral by Evergreen and WGI and to secure any diminution of value occurring in
32 their collateral as a result of the Debtors' use of such cash collateral, Fortress shall retain its
33 security interests and liens on their collateral. As further adequate protection for the use of
34 their collateral by Evergreen and WGI and to secure any diminution of value occurring in
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ORDER RECOGNIZING FOREIGN MAIN
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1 their cash and non-cash collateral as a result of the Receiver's use of such collateral,
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3 Fortress, is hereby granted liens (the "Replacement Liens") on (i) all proceeds from the
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5 disposition of their Prepetition Collateral, and (ii) all assets of Evergreen and WGI of the
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7 same kind, type and nature as the Prepetition Collateral in which they held an interest on the
8
9 Petition Date which are acquired after the Petition Date (the "Postpetition Collateral"). As
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11 further adequate protection of the use of Fortress' collateral and to protect against any
12
13 diminution in value occurring in its cash and non-cash collateral, Fortress is granted a
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15 security interest in all undeposited cash held by Evergreen and WGI (the "Undeposited
16
17 Cash"), which lien shall be deemed perfected by this Order without further action by
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19 Fortress, *provided, however*, that any secured creditors' lien on undeposited cash shall be
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21 subordinate to the Debtors' obligations to individual customers in the ordinary course of
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23 payment of legitimate gambling winnings or redemption payments for chips. As further
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25 adequate protection of Fortress's interests in cash collateral, if and to the extent that the
26
27 other adequate measures of this Order prove insufficient to fully protect Fortress's interest in
28
29 its collateral, Fortress is hereby granted first priority administrative expenses rights of
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31 recovery from the proceeds of any unencumbered assets³ of the Evergreen and WGI estates
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33 in the amount of any unsatisfied collateral deficiency; *provided, however*, that nothing in
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35 this paragraph shall impact or negate the priority of the Administration Charge granted in
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37 the CCAA Proceeding Initial Order and as provided in the Settlement Approval Order.

38 5. To the extent not stayed pursuant to the preceding paragraph,

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40 (a) Pursuant to §§1521(a)(1) and (a)(2)) of the Code, the commencement or
41
42 continuation of any proceeding concerning the assets, rights, obligations or
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44 liabilities of Evergreen or WGI, and the execution against any assets of
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47 ³ This provision is intended to afford Fortress rights comparable to § 507(b) of the Bankruptcy Code.

1 Evergreen or WGI, are hereby stayed. Any party wishing to terminate,
2 modify, alter, or interfere with any executory contract with Evergreen or
3 WGI in the United States, for any reason, must bring an action or proceeding
4 for such relief in the CCAA Proceeding prior to taking any action with
5 respect to such contract(s);
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10 (b) Pursuant to §§1521(a)(3) the right to transfer, encumber or otherwise dispose
11 of any assets of Evergreen or WGI other than in the ordinary course of
12 business is stayed and shall be subject to the jurisdiction and determinations
13 of the CCAA Court;
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17 6. Subject to the terms and provisions of the CCAA Order, the Settlement
18 Approval Order and the Receivership Appointment Order, Evergreen and WGI may
19 continue to operate their business and to exercise the rights and powers of a trustee as
20 provided in the CCAA Order, to the full extent provided by §§363 and 552.
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23 7. The Monitor shall have the same powers in the United States with respect to
24 performance of its duties under the CCAA Order as the Monitor has in the CCAA
25 Proceeding, including but not limited to the right to access to the Property, books, records
26 and employees of Evergreen and WGI; the authority to compel production of Evergreen and
27 WGI's books and records and the examination of any person pursuant to Bankruptcy Rule
28 2004; to monitor the receipts and expenses of Evergreen and WGI, and to perform such
29 other duties as required by the Court in the CCAA Proceeding; and
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32 8. Evergreen and WGI shall cooperate fully with the Monitor with respect to the
33 rights and duties of the Monitor under this Order and as the recognized foreign
34 representative of Evergreen and WGI with respect to the CCAA Proceeding.
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1 DONE IN OPEN COURT this 6 day of July, 2009.

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United States Bankruptcy Court Judge

Presented by:

Perkins Coie LLP

By: /s/ Bruce G. MacIntyre

Bruce G. MacIntyre, WSBA No. 18984
Attorney for Foreign Representative
Deloitte & Touche, Inc.

Approved as to Form, Notice of Presentation waived

CAIRNCROSS & HEMPELMANN, P.S.

By: s/s John R. Rizzardi

John R. Rizzardi, WSBA No. 9388
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By: /s/ Michael J. Gearin

Michael J. Gearin, WSBA No. 20982
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ORDER RECOGNIZING FOREIGN MAIN
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